



EUR

13/11/2015



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RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

Yellow Area

November 6

12:30 - 17:00

- *US Nonfarm Payrolls*
- *US Unemployment Rate*
- *Canada Unemployment rate*

Turquoise Area

November 9

08:30 - 16:30

- *Canadian Housing*
- *US Labour Market Conditions Index*

Blue Area

November 10

12:00 - 16:00

- *New Zealand Financial Stability Report*

Purple Area

November 12

07:30 - 21:30

- *France Consumer Price Index*
- *EU Industrial Production Data*
- *US Initial Jobless Claims*

EUR Currency Index Change

-0.27%

-0.1%

-0.14%

0.55%

Max EUR Volatility Index

2.78

1.15

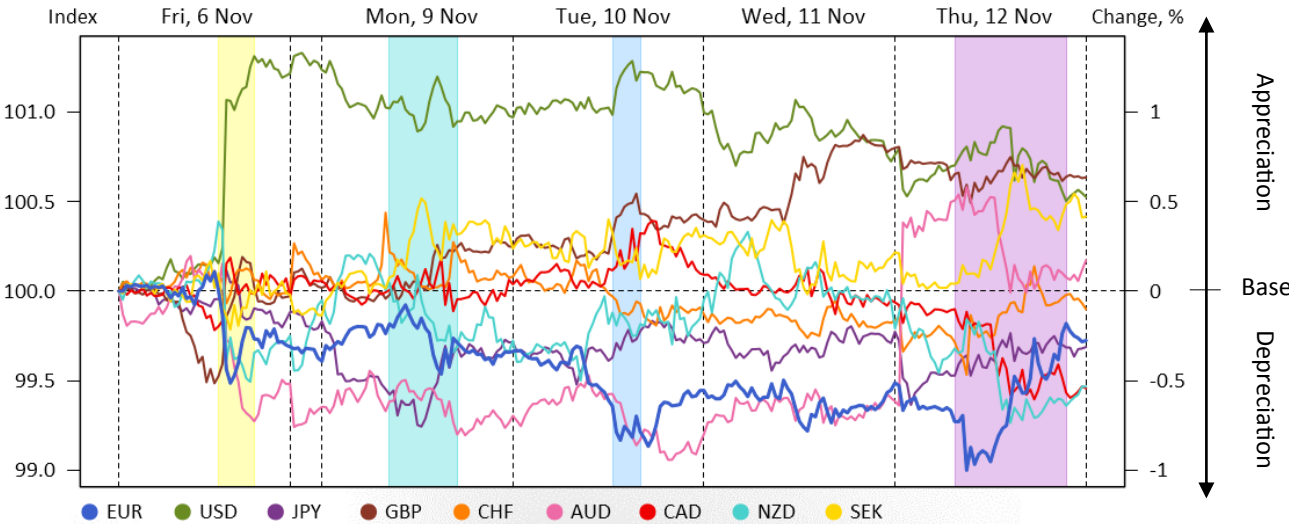
1.08

1.73



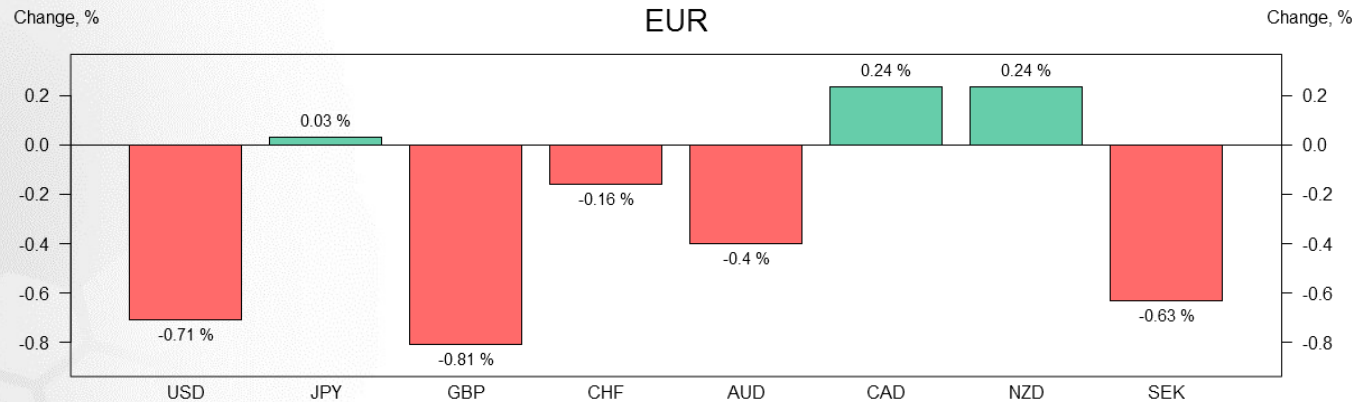
Relative Currency Strength

Currency Indexes



The Euro index continued to strengthen the tendency of decline throughout the week, moving in the narrow band between 98.9 and 100.0. It reached its lowest point on Thursday morning, losing more than one per cent of the initial value. The index was highly affected by European Central Bank President Mario Draghi comments who underpinned expectations for further stimulus, possibly as soon as next month. Nevertheless, later on, the index started its slow growth and climbed to 99.81 points mark by Friday. The EUR index managed to outperform other indices in terms of the Thursday's development showing the biggest grow. With that the EUR index significantly outranged the JPY and the SEK indices, and took the lead over its AUD and NZD.

Other currency indexes were more active during the whole period, while the undisputed leader was the Greenback. The dollar rallied to seven-month highs against the other major currencies on Friday after a far stronger than expected US jobs report reinforced expectations for a rate hike by the Federal Reserve next month. The US nonfarm payrolls grew by 271,000 in October, easily exceeding the median estimate of 180,000 while the unemployment rate fell to 5%, the lowest since April 2008. AUD, JPY, CAD and CHF were strongly affected by this data release. However, during the week, sterling, which also dropped to seven-month lows, was the only one that managed to rebound and thus ended up in the leading position. The currency was supported by the latest UK jobs report.



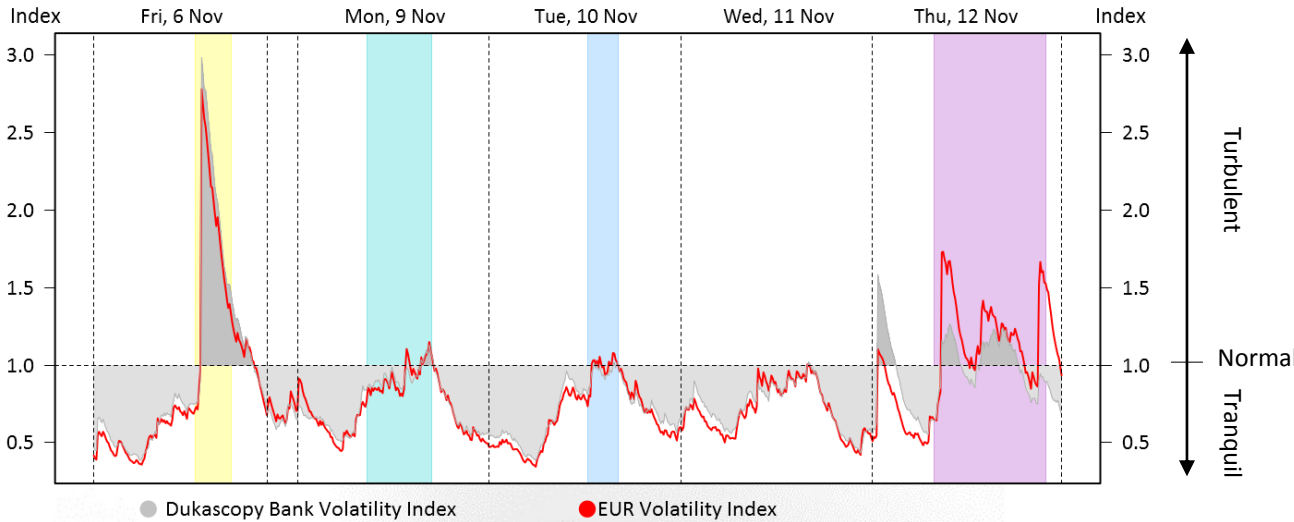
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-0.28%	0.53%	-0.31%	0.64%	-0.1%	0.17%	-0.54%	-0.53%	0.42%
20	-2.24%	3.33%	0.4%	1.77%	-1.81%	1.32%	0.1%	-1.24%	-1.91%
130	1.78%	6.39%	4.27%	3.46%	-1.85%	-6.19%	-3.29%	-6.89%	1.62%
250	-3.72%	12%	5.39%	8.1%	8.15%	-10.45%	-5.97%	-8.59%	-4.92%



Volatility

Volatility



Elevated volatility of the European single currency was hovering around the median readings of several preceding weeks, as it stood at 20% versus 16% for the market during a five-working-day period from November 6 until November 12. These numbers were also reflected in the mean volatility index, which reached only 0.81 points. There were only two major spikes in turbulence registered throughout the week, and one of them has been created solely by the dollar, which posted considerable reaction after the surprisingly strong US monthly payrolls. Therefore, EUR/USD was turbulent in 30% of all time. The second major jump was performed by GBP and SEK, as the UK unemployment rate fell to

5.3% in the three months to September, posting the lowest level since April 2008.

A well-pronounced rally of the Euro resulted in the uplifted volatility, which surged to almost its highest weekly level already on the Friday of the researched period. The maximum of 2.78 points was reached when the US economy created 271,000 new jobs in October, almost 100,000 more than expected. Therefore, robust US jobs report bolsters possibility for December rate hike. At the same time, this statistics overshadowed the majority of other events that happened on November 6-12. Meanwhile, turbulence remained completely silent on Monday-Wednesday period due to lack of any fundamentals from Euro zone.

Elevated Volatility (% of the observed period)

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK	
	16	20	30	24	27	24	18	28	13	29

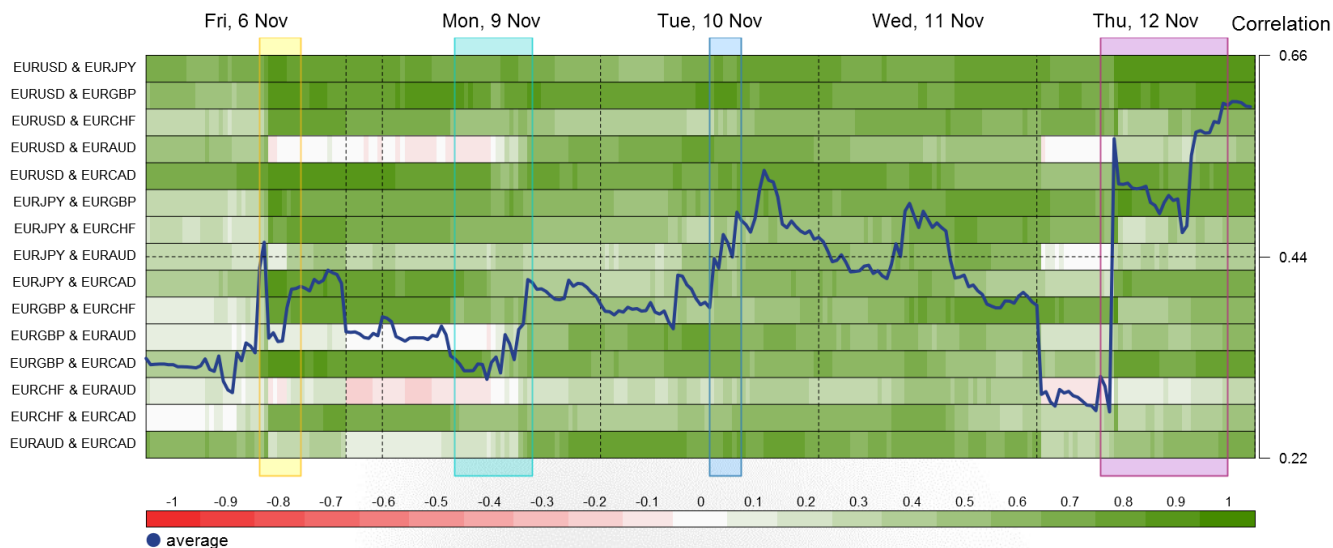
Volatility Index (for the observed period)

	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	2.98	2.78	6	2.29	3.35	2.46	3.98	3.35	1.85	2.47
Min	0.38	0.34	0.28	0.31	0.25	0.36	0.32	0.26	0.33	0.13
Average	0.81	0.81	0.9	0.83	0.84	0.85	0.79	0.81	0.73	0.76



Currency Significance

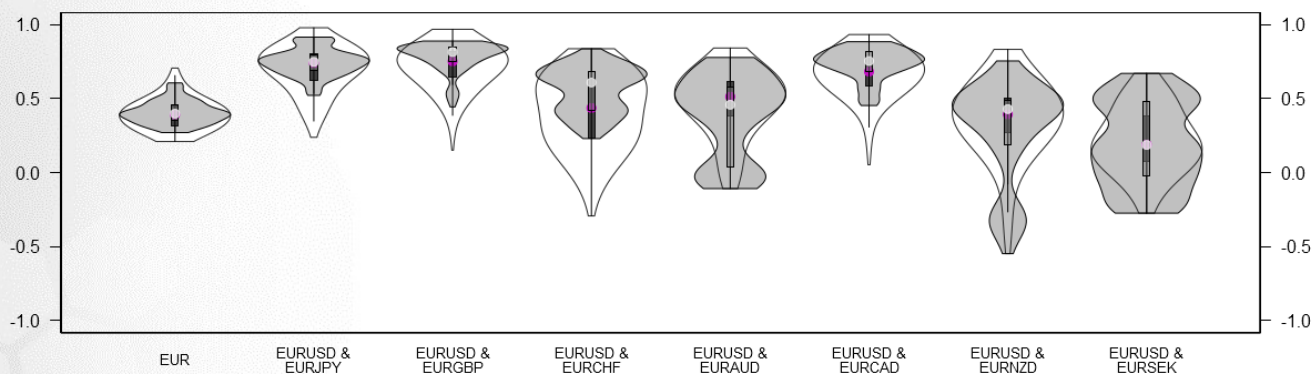
Correlations



The Euro significance measure had a few ups-and-downs and ranged from **0.27 to 0.61** during the past week. The average values also remained almost unchanged from the previous period. Only three components lifted their mean levels. Thus, EUR/USD mean correlations with EUR/JPY, EUR/GBP and EUR/CAD gained 0.03-0.08 points. In terms of long-term values, current averages of almost all observed correlations shifted up, pulling the overall Euro significance with them.

The observed week could be divided into two parts: the period of a gradual decline, when the Euro composite reduced to its minimum value of the week, and the period when it showed an upward trend. The fall started in the middle of the period, and, despite some attempts to recover, the measure lost about 0.26 points by Thursday morning. Then came the turning-point, when the composite started to advance significantly. It went through its most notable jump on Thursday, gaining 0.34 points and surging to the maximum value of the week. Therefore, the composite ended the week above its opening level around 0.60 points.

Correlations (5 vs 20 days)

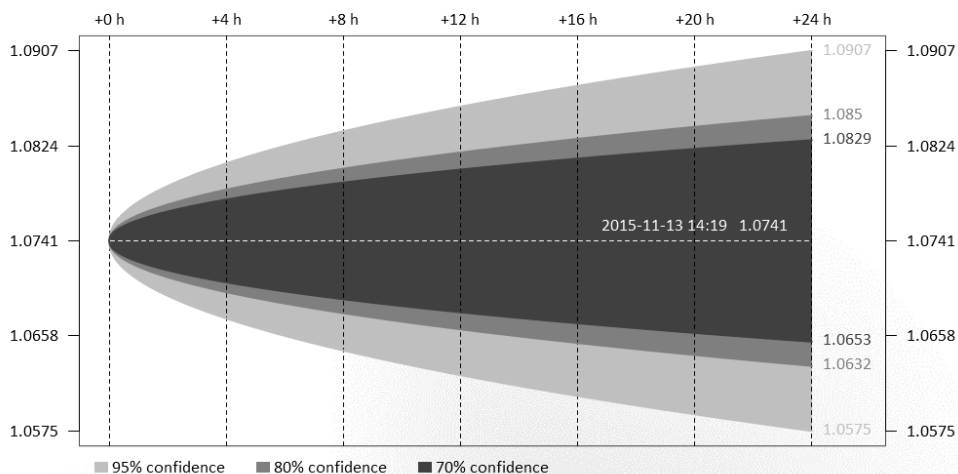


Mean Correlation Coefficient (with EURUSD)

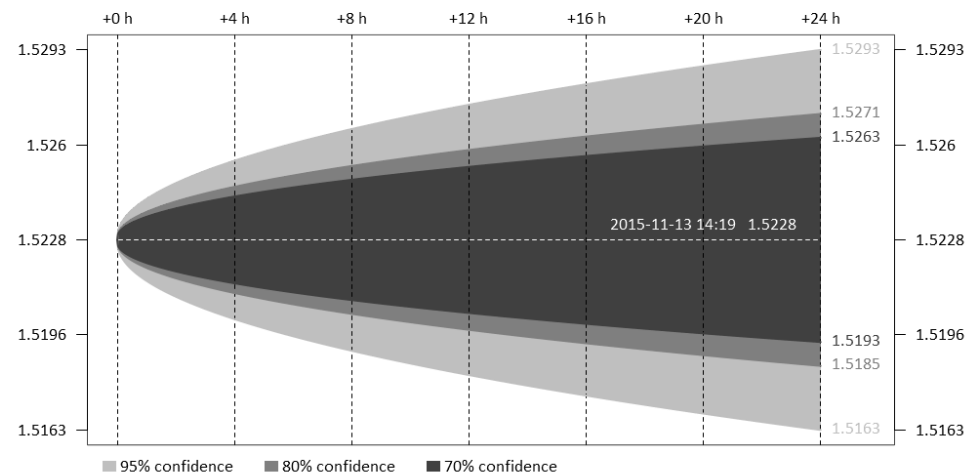
Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.41	0.75	0.78	0.56	0.38	0.73	0.28	0.19
20	0.39	0.7	0.72	0.41	0.47	0.67	0.37	0.22
130	0.4	0.71	0.72	0.36	0.48	0.68	0.42	0.2
250	0.37	0.66	0.68	0.29	0.42	0.64	0.36	0.18

Confidence Intervals for Next 24 Hours

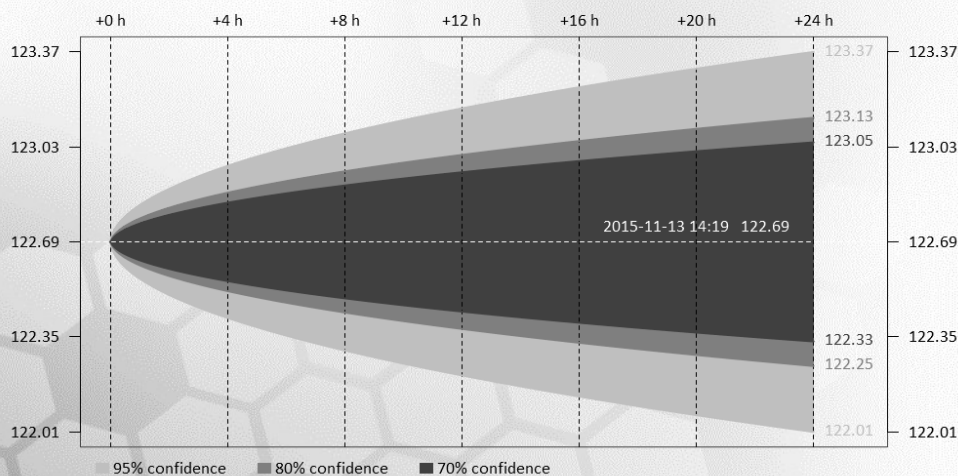
EURUSD Potential Rates



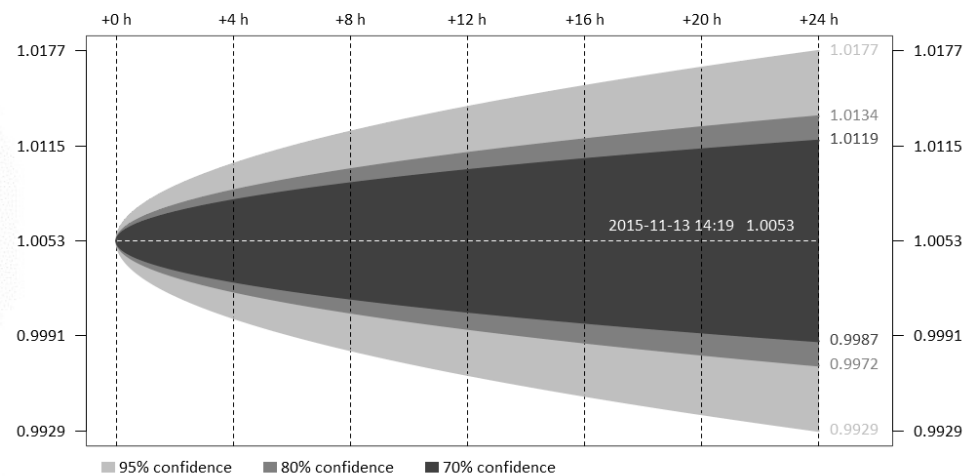
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates



EXPLANATIONS

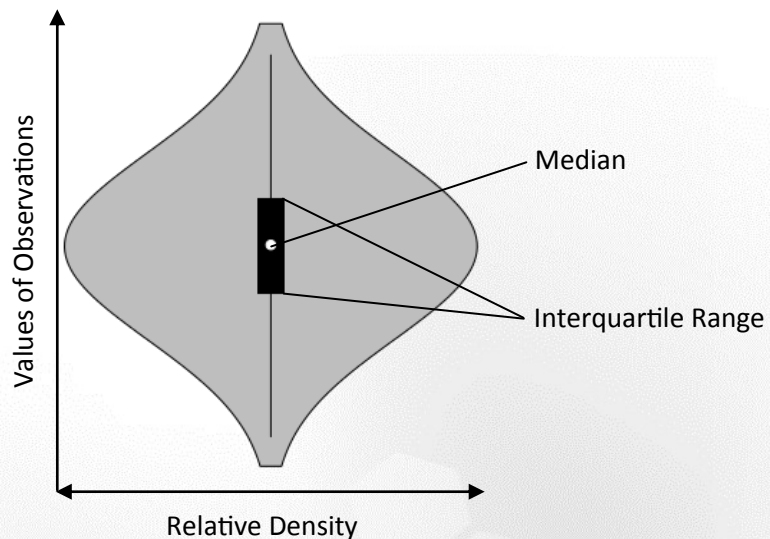
Violin Plot

Violin Plot is a combination of a Box Plot and rotated Kernel Density Plot

Methodologies

Volatility Index

Confidence Interval





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